

Building Out Investment Management Solutions

27 April 2023



Highlights today and outlook

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Welcoming SimCorp to Deutsche Börse Group

We are excited to announce an **all-cash voluntary tender offer** for 100% of SimCorp at dkr.735.0 per share in cash, valuing SimCorp at ~€3.9bn¹ equity value – with the offer intended to be **unanimously recommended to the shareholders by SimCorp's Board of Directors**

Combining ISS and Qontigo

We intend to combine **ISS and Qontigo**, allowing us to build out a leading **quality-focused ESG, data, index as well as analytics provider**²

Strengthening Investment Management Solutions

Building on the combined strength of SimCorp and Deutsche Börse Group, we will transform our current Data & Analytics segment into **Investment Management Solutions** to further accelerate our growth trajectory – the co-operation between SimCorp and the intended combination of ISS/Qontigo is expected to deliver **total annual run rate EBITDA synergies**³ of ~€90m

Outlook

We will present **consolidated pro-forma financials** for Deutsche Börse Group and SimCorp (post completion of the transaction) and our **Horizon 2026 strategy** later in 2023 (Investor Day 2023 postponed from June to autumn)

1. dkr.:€ exchange rate of 7.45 as of 26 April 2023; 2. Deutsche Börse Group and General Atlantic as prospective sole minority shareholder of the combined entity have reached joint understanding in principle on the intended combination; 3. Combined synergies expected from both the SimCorp acquisition and the subsequent optimisation of Deutsche Börse Group's current Data & Analytics segment, with most of these synergies identified within Deutsche Börse Group's current Data & Analytics segment

SimCorp is a leading provider of front-to-back investment management software and associated technology enabled solutions

Company overview

SimCorp – headquartered in Copenhagen with 2,245 employees¹ – is a **Danish publicly-listed company** providing **mission-critical software solutions** to asset managers and asset servicers

SimCorp Dimension – its flagship offering accounting for ~85% of revenue² – is a **modular software package** featuring **front-to-back integrated investment management solutions** for all asset classes

On the back of proven execution strength, SimCorp continues to transform its current offering towards **subscription-based and growing BPaaS/SaaS propositions**

SimCorp highlights

- ✓ Flexible, end-to-end **investment platform and ecosystem**
- ✓ **Scaled platform** across the industry, with **>\$30tn assets** managed on the platform
- ✓ **10%+ gross revenue CAGR** in the last 5 years (FY2017-22)
- ✓ **~12% forward-looking annual recurring³ revenue (ARR) growth**, with **over 60% recurring gross revenue** in FY2022
- ✓ **50% of clients on subscriptions**, including **88% of new clients⁴**

1. Full time employees of SimCorp at FY2022 end; 2. FY2020 figures for product breakdown as FY2021 and FY2022 figures not publicly available; 3. "Recurring" revenue percentage defined as forward-looking annual recurring revenue divided by total reported revenue; 4. SimCorp Dimension only

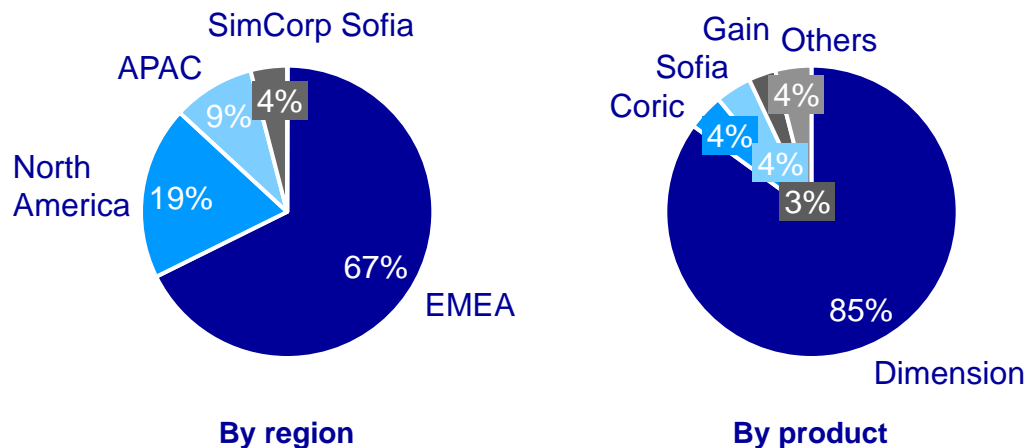
Source: SimCorp FY2022 annual report

SimCorp is characterised by attractive financial results and is expected to deliver significant future net revenue and EBITDA contribution

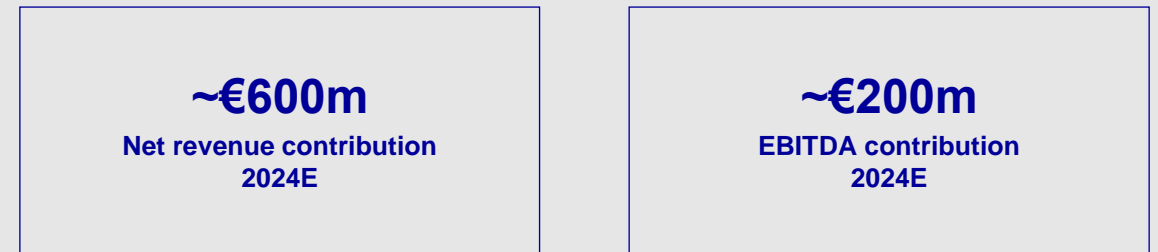
SimCorp key financials FY2022



SimCorp gross revenue² breakdown FY2022



SimCorp expected financial contribution 2024E



Analyst consensus estimates for SimCorp in 2024E are ~€640m gross revenue and ~€165m EBITDA

Post completion of the transaction, **SimCorp's expected financial contribution** to Deutsche Börse Group needs to be **converted to Deutsche Börse Group view** – applying Deutsche Börse Group IFRS accounting policies

- Preliminary SimCorp **2024E net revenue estimation** based on **adjustments for volume-related cost** estimated to be ~7% of 2024E gross revenue
- Preliminary SimCorp **2024E EBITDA estimation** based on estimated **R&D capitalisation of 35%**

1. €141m of reported EBITDA adjusted for €10m Ukraine employee support & restructuring expenses; 2. FY2020 figures for product breakdown as FY2021 and FY2022 figures not publicly available; FY2022 figures for geographic breakdown & SimCorp Sofia revenue split. "Research and Development", "corporate functions" and "elimination / not allocated" not allocated geographically and excluded from the analysis

Source: Median Consensus figures from Capital IQ as of 26 April 2023 & SimCorp FY2022 annual report; Deutsche Börse Group estimates

High-level transaction overview

Transaction	<p>All-cash voluntary tender offer (“VTO”) for 100% of SimCorp in accordance with Danish takeover rules</p> <p>SimCorp’s Board of Directors intends to unanimously recommend the offer to the shareholders and have entered into irrevocable undertakings to tender their SimCorp shares in the offer</p>
Offer price	<p>dkr.735.0 per share in cash, valuing SimCorp at ~€3.9bn¹ equity value</p> <ul style="list-style-type: none">▪ Premium of 38.9% over the closing share price of dkr.529.0 as of 26 April 2023▪ Premium of 45.3% over the 3M VWAP share price of dkr.505.7 as of 26 April 2023
Key closing conditions	<p>Minimum acceptance threshold of 50% plus one share</p> <p>Regulatory approvals (EU and USA (merger control), Denmark and Italy (foreign direct investment))</p>
Timing	<p>Start of tender expected in May 2023</p> <p>Expected closing in Q3 2023</p>

1. dkr.:€ exchange rate of 7.45 as of 26 April 2023

Beyond welcoming SimCorp, we intend to combine ISS and Qontigo to build out a leading ESG, data, index as well as analytics provider¹

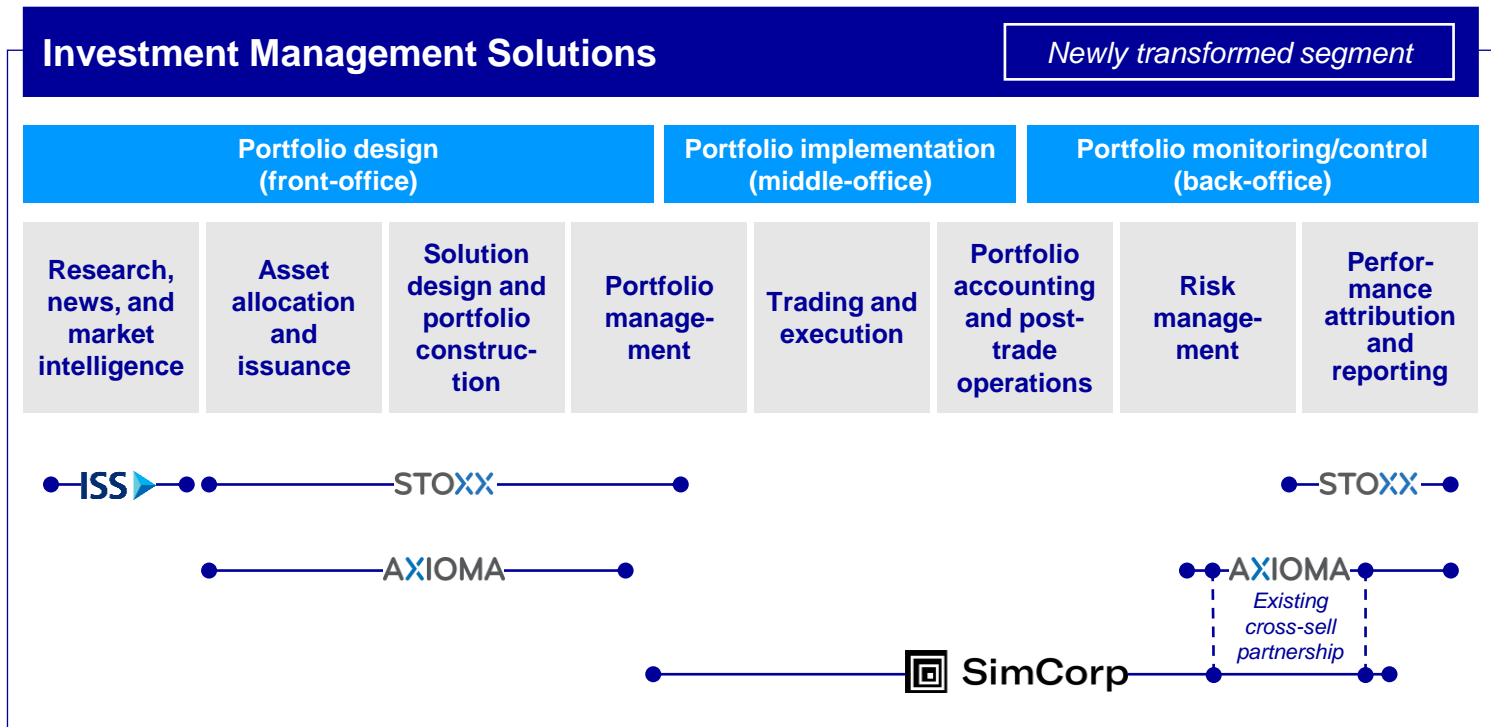


To further build out and focus on our high quality **ESG, data, index as well as analytics propositions**, we intend to **combine ISS and Qontigo**

- **Combined ISS/Qontigo** under the leadership of ISS CEO **Gary Retelny**
- **Streamlining of minority shareholders**, with **General Atlantic** planning to become the **sole minority shareholder**
- General Atlantic to invest new funds – underpinning our joint conviction for the **combined ISS/Qontigo's growth aspiration**
- **IPO optionality** for the combined ISS/Qontigo expected **in the medium term**

1. Deutsche Börse Group and General Atlantic as prospective sole minority shareholder of the combined entity have reached joint understanding in principle on the intended combination

SimCorp perfectly complements our existing propositions and closes a capability gap in investment management solutions



Front-to-back integrated investment management solutions building on an open platform proposition

Contributing **at-scale SaaS and BPaaS capabilities**, SimCorp complements our existing propositions and allows for the creation of **full-scope front-to-back integrated investment management solutions** for asset managers and asset servicers

Comprehensively serving investors, banks, and asset managers globally, SimCorp continues to operate as an **open platform delivering both flexibility and operational efficiency under the brand name of SimCorp**

By leveraging the full suite of capabilities required to serve the buy-side, we will build out our investment management solutions proposition

Building on the **combined strength of SimCorp, ISS and Qontigo**, we will transform our current Data & Analytics segment into **Investment Management Solutions**

Under the remit of Investment Management Solutions, we aspire to create a **leading provider of fully integrated front-to-back investment management solutions** – with SimCorp serving as our **Group-wide competence centre for SaaS and BPaaS** and acting as a **step-change for accelerating our growth trajectory**

Moreover, we aspire to create a **leading quality-focused ESG, data, index as well as analytics provider** by combining ISS and Qontigo

Building out our existing propositions allows for a **meaningful expansion** of Investment Management Solutions' **highly attractive total addressable market** with significant sustainable long-term growth opportunities and **further diversification of our business mix** with a growing share of recurring revenue

Overall, we plan **significant value creation through synergies¹** within Investment Management Solutions

1. Combined synergies expected from both the SimCorp acquisition and the subsequent optimisation of Deutsche Börse Group's current Data & Analytics segment, with most of these synergies identified within Deutsche Börse Group's current Data & Analytics segment

We aspire to create two leading propositions in data and analytics-powered investment management solutions

Investment Management Solutions

Newly transformed segment

Creating a leading provider of fully integrated front-to-back investment management solutions



Supporting investors, banks, and asset managers globally

Leading provider of **fully integrated front-to-back investment management software and technology enabled solutions** including client reporting and data management

Strong brand with **independent proposition**

Copenhagen-based headquarters

Commercial strategy focused on **efficiency and flexibility**

Continued investments in **enhanced client propositions**

Close collaboration in ESG, data, and analytics as well as **expansion of the cross-sell partnership** between **SimCorp and the combined ISS/Qontigo**

Creating a leading quality-focused ESG, data, index as well as analytics provider



Supporting investors, banks, and corporate clients globally

Leading **ESG, data, index as well as analytics capabilities provider**

Strong market alternative on the back of an **industry-leading platform delivery system**

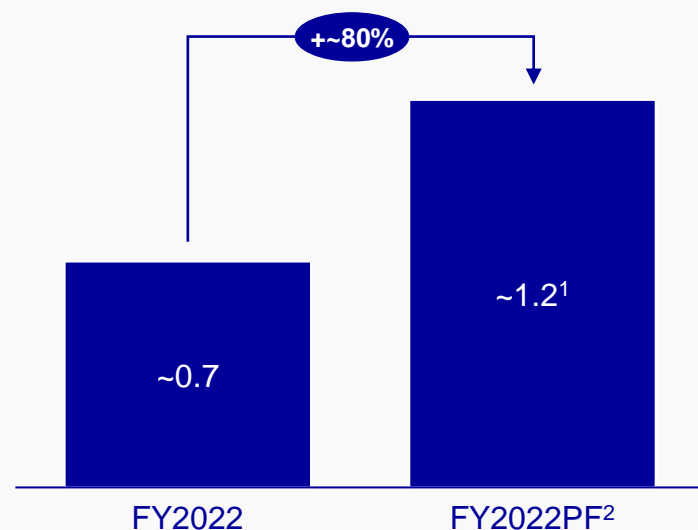
Best-in-class **scalable indexing platform**

Investment Management Solutions is characterised by significant scale and scope – accounting for a meaningful portion of our business mix

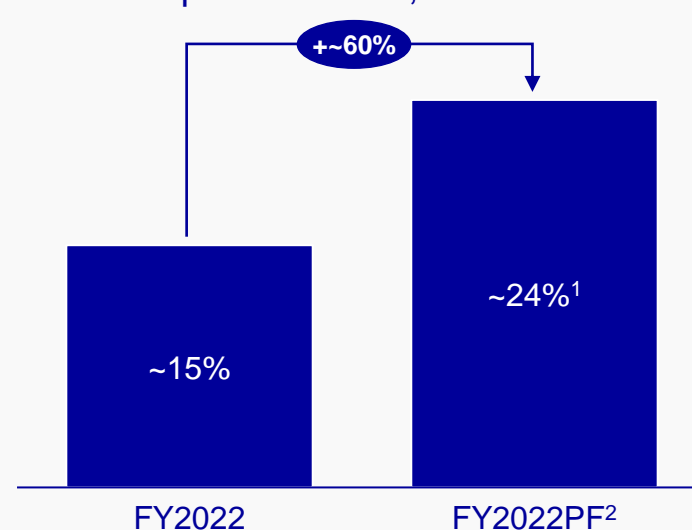
Investment Management Solutions

Newly transformed segment

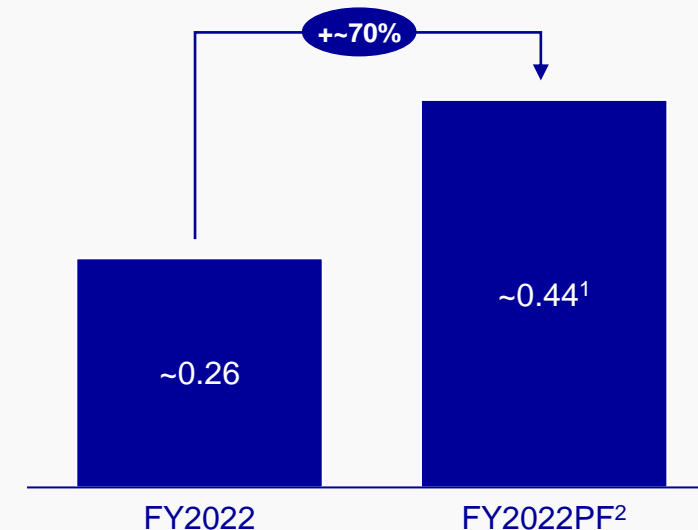
Meaningful expansion of net revenue,
net revenue, €bn



Significant increase in net revenue contribution,
net revenue as share of total Group net revenue, %



Sizeable expansion of EBITDA,
EBITDA, €bn



1. SimCorp net revenue estimation based on adjustments for volume related cost estimated to be ~6% of gross revenue and EBITDA estimation based on estimated R&D capitalisation of 35% (preliminary estimates based on application of Deutsche Börse Group IFRS accounting policies post completion of the transaction); 2. FY2022 on pro-forma basis incl. SimCorp

Co-operation between SimCorp and the intended combination of ISS/ Qontigo is expected to deliver annual run rate EBITDA synergies of ~€90m

~€35m

Net revenue run rate synergies¹

Fully phased-in net revenue synergies¹, amongst others, driven by

- **Up- and cross-selling** of SimCorp and Axioma's **client base** via closer collaboration
- **Roll-out of indirect distribution model** with Market Data + Services and Securities Services
- **Enhanced cooperation** between ISS and STOXX, including creation of ESG index families



~€55m

Cost run rate synergies¹

Fully phased-in cost synergies¹, amongst others, driven by

- **Streamlining of duplicate capabilities**
- **Optimisation of volume-related cost**



~€90m

Total annual run rate synergies¹

Total annual run rate **EBITDA synergies¹** of ~€90m expected to be **phased in over 3 years** and **delivered by end of 2026** (~60% in 2024, ~90% in 2025, and ~100% in 2026)

Cost to Achieve (CtA) expected to amount to ~€100m and to predominantly accrue in the first year post completion of the transaction

1. Combined synergies expected from both the SimCorp acquisition and the subsequent optimisation of Deutsche Börse Group's current Data & Analytics segment, with most of these synergies identified within Deutsche Börse Group's current Data & Analytics segment

Financial impact of SimCorp and the intended combination ISS/Qontigo for Deutsche Börse Group

Financing

Fully debt financed transactions

Initially financed through fully underwritten bridge facilities with the contemplated take-out based on an **optimal mix of cash and debt market instruments**

Rating

Envisaged funding of the proposed transactions expected to result in a **AA- rating at Group-level, maintaining AA at Clearstream-level**

Committed to preserve a **strong investment grade rating both at Group-level and at Clearstream-level post completion of the transaction**

Financial impact

Mid single digit cash EPS accretive¹ in the first year post completion of the transaction

Total annual run rate EBITDA synergies² of ~€90m

1. Including run rate synergies; 2. Combined synergies expected from both the SimCorp acquisition and the subsequent optimisation of Deutsche Börse Group's current Data & Analytics segment, with most of these synergies identified within Deutsche Börse Group's current Data & Analytics segment

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